

DEPARTMENT OF FINANCE AND ADMINISTRATION

PERFORMANCE EVALUATION PLAN

revised for
2004

DFA PERFORMANCE EVALUATION PLAN

PURPOSE

The expressed purpose of any employee performance evaluation system is to judge how a person is doing on the job. Traditionally, and perhaps understandably, this makes both the persons doing the rating and the persons being rated uncomfortable. It is not easy to tell someone what they are doing wrong, and it is often not easy even to praise someone for what they are doing right or well.

The evaluation of performance, and related activities, can serve many purposes, however. In the Department of Finance and Administration (DFA), the performance evaluation (PE) process is designed to achieve the following:

- Provide an opportunity for the supervisor (rater) to define the purpose and duties of a job;
- Require the supervisor to determine what levels of performance are acceptable, unacceptable, and exceptional;
- Provide a venue for the supervisor to clearly convey these expectations to the employee (ratee);
- Encourage the flow of communication between the supervisor and employee;
- Allow the employee an opportunity to clarify duties and responsibilities;
- Present an opportunity for the employee to offer input into the structure and function of his/her duties;
- Supply a means for the recognition of exceptional performance;
- Provide structure for identifying and correcting unacceptable performance behaviors;
- Help identify areas of disproportionate or unnecessary work flow.

With this in mind, employees and supervisors are encouraged to view PEs as an on-going, positive process, to be utilized for the benefit of all concerned. PEs should **never** be used as the first and only time to point out an employee's short-comings, but to document the overall result of a year spent working together to improve productivity, efficiency, and morale.

Over the years, various changes have occurred in the methods, score methodology, time frames, and results associated with the evaluation of the performance of state employees. This Performance Evaluation Plan incorporates legislative, regulatory, systemic, and departmental changes.

GENERAL GUIDELINES

The following are general guidelines for a performance evaluation plan, issued by the Office of Personnel Management:

- Performance evaluations must be conducted annually.
- The rating supervisor, with input from the employee whenever possible, will set the standard for fully satisfactory (mid-level) performance at the beginning of the rating period, or not later than 30 days after the start of new duties.
- Standards must be developed from a list of critical job tasks and stated in terms of observable behavior.
- Standards must be clearly communicated and understood by the employee.
- Standards and completed performance evaluations must be reviewed and approved by the reviewing official (the supervisor's supervisor or other designated official).
- A written copy of the reviewed standards is to be given to the employee.
- If a supervisor (rater) is transferred to another section or terminates employment, PEs must be completed for those employees whose most recent evaluation was completed more than 90 days prior to the supervisor's termination date.

- If at any time during the evaluation period the supervisor determines that the employee's performance has fallen below an acceptable standard ("satisfactory"), the supervisor must document the unacceptable performance and counsel the employee.
- If an employee's overall performance is determined to be unacceptable ("unsatisfactory"), the employee must be placed on probation and counseled.
- Employees are allowed to make a formal request for reconsideration of their performance evaluation rating.

THE PERFORMANCE EVALUATION RATING FORM

The rating form used by DFA consists of the following elements:

- Identifying information (employee name, position number, social security number, rater, etc.)
- Description of "Relative Importance Scale" and "Performance Category Rating Scale"
- Duty Area summary and Overall Performance Evaluation Rating
- Standards, Results, and Rating page (as many as needed)
- Signatures and Comments page

The accurate completion of the identifying information is crucial to the proper processing of an employee's evaluation. Care should be taken to ensure correction information is provided, including the AASIS-assigned position number and cost center.

The **Performance Category Rating** is an alpha value, **E**, **AA**, **S**, or **U**, assigned to each standard, as well as to the overall performance of the employee. These values are described below:

Category	Result(s)
E = Exceeds OR AA= Above Average	Employee eligible for incentive pay award up to 8% (actual award is at the discretion of the Chief Fiscal Officer of the State); Eligible for CLIP promotion
S = Satisfactory	Not eligible for incentive pay awards; Eligible for CLIP promotion
U = Unsatisfactory	Not eligible for incentive pay awards; not eligible for CLIP promotion; employee placed on probation

Each standard is weighted, as reflected by the **Relative Importance Scale**. The weight is an alpha value, **A**, **B**, or **C**, assigned to each standard indicating its relative importance and/or amount of time.

The **Summary** section includes the Duty Area Number, Duty Area Summary, Relative Importance Scale, Duty Area Rating, and Overall Performance Evaluation Rating.

Standards, Results, and Rating page includes, in addition to specific identifying information, the Duty Area Number(s); a listing and description of the Duty Area(s); a description of the Performance Standard(s); the Method(s) of Monitoring [MOM]; the Results; the Relative Importance indicator(s); and the Duty Area Rating(s). Raters may use as many of these pages as necessary to document the Duty Areas.

The **Signatures and Comments** page is used: (1) at the beginning of the rating period to document that the supervisor, employee, and reviewing official have all properly participated in the PE development process; and (2) at the end of the rating period to document that all parties are aware of the evaluation results. It also provides a place for the employee to comment on the results (optional).

DFA PERFORMANCE EVALUATION POLICIES AND PROCEDURES

The following are detailed and/or additional guidelines for the DFA Performance Evaluation Plan:

Standards Implementation and Rating Timeframes:

Standards and their relative importance are to be established at the beginning of an evaluation period, or not later than 30 days after the beginning of the new rating period. The Rater and Employee should agree to standards, measures, methods of monitoring, and each standard's relative importance for the subsequent rating period. The Employee, Rater, and Reviewing Official should sign the top portion of the rating form signature page.

If standards need to be revised during the rating period due to new or additional duties, the revisions should be made and discussed with the employee within 30 days of the start of new duties.

In order to establish or revise standards appropriately, the rater should utilize the Standard Definition Work Sheet to define the tasks, group the tasks into duty areas, and identify performance indicators.

During the evaluation period, the rater should monitor and discuss performance with the employee and maintain documentation. If performance falls below the Satisfactory level at any time during the evaluation period, the employee must be counseled.

Supervisors will discontinue using the IED (Increase Eligibility Date) as a due date for evaluating performance and will set the completion date of PEs to occur no more than 30 days before the employee's Career Ladder Incentive Program (CLIP) review date. The PE must be submitted, along with all other CLIP forms and documentation, to DFA Human Resources, within 30 days prior to the end of the CLIP Review period. Appropriate revisions must be made to the PE Rating Form, including revised standards and beginning and/or ending dates of the evaluation rating period.

NOTE: CLIP reviews and PEs are separate and distinct processes. Incentive promotions and bonuses are determined by the employee's CLIP review results. The Performance Evaluation is only one of several criteria required to be considered in the CLIP review process.

During the rating period, the rater should compile and review the employee's performance documentation, write results statements in the appropriate area on the rating form, and evaluate performance by checking using the Rating Scale definitions on page 1 of the rating form.

At the end of the rating period, the rater and employee will meet to review and discuss the evaluation. The employee, rater, and reviewing official sign the bottom portion of the signature page. If the employee does not agree with the performance evaluation results, s/he may utilize the Performance Evaluation Appeal Process.

NOTE: It is recommended that the rater review the performance evaluation results and documentation with the reviewing official prior to the rater's meeting with the employee.

PERFORMANCE EVALUATION APPEAL PROCESS

Employees should make a formal request for reconsideration of their performance evaluation scores utilizing the following process:

An employee who does not agree with the evaluation may request, in writing, a review of the evaluation with the reviewing official. This written request must be made within five working days of the initial performance evaluation meeting; the employee and reviewing official should schedule a meeting within a reasonable amount of time following the receipt of the request.

If agreement is not reached between the employee and reviewing official, the employee should request a meeting with the administrator (if the administrator is not the reviewing official).

If agreement is still not reached, the employee should contact the DFA Human Resources Manager; the Human Resources Manager may consult an Advisory Committee for assistance in reviewing the rating.

The DFA Human Resources Manager will meet with the employee and the rater, reviewing official, and/or administrator (if not the reviewing official). The DFA Human Resources Manager (or the Advisory Committee) will analyze the information and prepare a written summary of the findings and a determination.

If the employee is not satisfied, s/he may appeal to the DFA Director; the DFA Human Resources Manager will transfer the information to the DFA Director.

The DFA Director will make a determination regarding disposition of the review. The decision of the DFA Director is final and binding.

In most cases, the employee will use the Performance Evaluation Appeal Process; however, an employee may utilize the DFA EEO/Grievance Procedure regarding performance evaluations if the basis of the complaint is unlawful discrimination or the evaluation leads to disciplinary action.

EVALUATION METHODOLOGY

Who takes part in performance evaluation process?

- Employee (Ratee)
- Supervisor (Rater)
- Reviewing Official

Definitions:

- Employee (ratee) - the person being rated. The rating is determined by comparing how well he or she performs his or her job to established standards.
- Supervisor (rater) - the person who performs the following functions for one or more employees:
 - ✓ assigns work to the employee(s) and changes work assignments when needed.
 - ✓ reviews the work of the employee(s) and makes changes or returns work to the employee for revision, if needed.
 - ✓ recommends discipline, if needed.
 - ✓ handles complaints from the employee(s).
- Reviewing Official - the person who supervises the supervisor (rater) or a higher level supervisor who has been designated as the reviewing official. He or she reviews the rating form once completed for accuracy and fairness.

ADMINISTRATIVE GUIDELINES

The user agency must establish rules and procedures to assure the effective use and implementation of the performance evaluation plan. The minimum administrative systems are listed below:

1. The user organization must monitor the use of the plan.

The agency director must, in consultation with the agency personnel officer, designate an individual or committee to monitor the use of the Performance Evaluation Plan. The Office of Personnel Management will require periodic reports. The committee or individual will be responsible for:

- A. Monitoring the distribution of ratings.
- B. Reviewing cumulative ratings of individual raters periodically to determine whether or not an unusual pattern of rating exists. If a rater's evaluations are either consistently high or low, or if a pattern of differences between groups of employees is apparent, the rater and his/her reviewing supervisor should be counseled to determine the reason for the unusual pattern. If a problem exists, corrective action should be implemented immediately.
- C. Monitoring standards used to rate individual employees and may establish uniform standards for groups of jobs where there is substantial similarity among them, and this similarity can be demonstrated.

2. The user organization must ensure annual evaluation.

The agency director must ensure that evaluations are completed on employees once each fiscal year. If interim evaluation periods are implemented, the interim evaluations must be considered in the annual evaluation.

3. It is advisable that the user organization designate raters.

It is recommended that the agency director designate raters. Raters must meet these requirements:

- A. Raters must be aware of the objective of each job performed by people whom they evaluate.
- B. Raters must be in a position that allows them to be frequent observers of employee behavior on the job.
- C. Raters must have the ability to determine whether or not employee performance meets the standards established for the job.

D. Raters must be trained in the purpose(s) of the evaluation system and the procedures to be followed in administering the system.

4. It is advisable that the user organization implement appeals procedures.

It is recommended that the agency director implement procedures to ensure access of every employee to an appeals process. The appeals process should begin with the rating supervisor, then proceed to the reviewing official. This is the minimal requirement. If the employee is not satisfied with the results of this meeting, he/she may notify his/her personnel office that he/she wishes a meeting with the agency's performance evaluation review committee. The oversight review committee will review all pertinent documentation concerning the employee's appeal and make written recommendations to the agency director. The decision of the agency director or his/her designee shall be final and binding on all concerned in regard to this procedure. Employees must be informed of this process.

5. It is advisable that the user organization establish probationary procedures.

The agency director should establish probationary procedures. Probationary procedures must be applied uniformly; they may be no more than 90 calendar days. The agency may establish a policy of allowing one additional probationary period to employees who show marked improvement, but who are still not meeting standards. Those who have exhausted their probationary allowances will be terminated or, in certain cases, transferred to another job where they may be reasonably expected to meet performance standards.

6. It is advisable that the user organization make provision for rater training.

It is recommended that the agency director make provisions to assure training of every rater. This training will be provided by the DFA Human Resources Office.

7. It is advisable that the user organization ensure that all employees receive full information.

It is recommended that the user organization should implement procedures to assure that all employees have a copy of the agency policies and procedures regarding performance evaluation and the possible effects of performance evaluation ratings.

8. The user organization may seek technical assistance from Office of Personnel Management.

The agency director may seek technical assistance from the Office of Personnel Management in matters relating to the implementation and administration of the performance evaluation plan.

THE FIVE LEVELS OF RESPONSIBILITIES

A. Agency directors are responsible for ensuring that proper performance plans are developed and approved in advance of the rating, that approved ratings are signed, that the program is effectively carried out, and that employees are informed of the appraisal process and the manner in which it operates.

B. Supervisors are responsible for the day-to-day operation of the performance evaluation system in their work areas. They will ensure that all employees are given a full explanation of the importance of the system and the principal items in the employee's performance rating plan, the rating levels used, the significance of their use, and the appeal rights of employees.

C. Reviewing officials are responsible for ensuring that appropriate standards are in place for the position(s) his/her subordinate supervisor(s) supervise, and that the rating forms are signed and dated as needed. They are also an integral part of trying to resolve any appeals filed between the supervisor(s) and employee(s).

D. Agency personnel officers are responsible for monitoring the progress of the performance evaluation program and evaluating its effectiveness. They will ensure that training is provided to supervisors so that they can effectively use the program in managing their workforce. They will also ensure that the original copy of the annual performance evaluation is appropriately filed in the employee's performance folder.

E. Oversight or Review Committees serve at the pleasure of the agency director and are responsible for reporting to the director on various aspects of the performance evaluation system. These aspects might include monitoring of the performance evaluation ratings, assuring adherence to the evaluation process, assuring consistency among raters, assuring the adequacy of standards, and the establishment of uniform standards.

In addition, these committees will review ratings falling in the "exceeds" and "unacceptable" ranges and recommend appropriate action to the director. They will also have responsibility to hear all employee appeals concerning performance ratings.

STANDARDS PLANNING/IMPLEMENTATION STAGE

In the planning/implementation stage the supervisor and employee discuss the standards that will be used to evaluate the employee's performance throughout the performance cycle.

STEP 1: *Identify Job Tasks*

To ensure that performance standards are job related, you must first analyze the job by breaking it down into its smallest components, called job tasks. The task statement is usually a brief description of an activity. It tells *what* is to be done, not *how* it is done. It is usually an action verb and object.

Example:

Job Title	Job Tasks
Personnel Analyst	<ul style="list-style-type: none">➤ Conducts Job Audits➤ Writes Job Descriptions➤ Develops Knowledge, Skills, and Abilities (KSAs), and Minimum Qualifications (MQs)➤ Makes Classification Recommendations➤ Develops and Conducts Training Programs➤ Researches Compensation Methods➤ Conducts and Compiles Salary Surveys

IMPORTANT: Be sure to include all job tasks for a ratee (employee). The Office of Personnel Management recommends discussing these tasks with the employees themselves. Accurate information is crucial to achieving success at this and other stages of the performance evaluation process.

STEP 2: *Identify Duty Areas*

As you complete your list of tasks, you will probably notice that the tasks begin to group themselves into areas with a common theme. For example, tasks dealing with decision-making may stand out. As you identify the duty areas of the position, you will also see that you are defining the major responsibilities of the position. Duty areas are the reason a position exists.

It may be more comfortable for you as a supervisor to begin the process at this step than at Step 1. Please, if you begin by identifying duty areas, do not forget Step 1. If you conscientiously make a list of

all of the tasks which comprise each duty area, you may find that one of the tasks listed is really important enough to be another duty area.

If you have identified more than six key duty areas, you may have defined the job too narrowly. If there are fewer than three duty areas you may have defined the job too broadly.

Example:

Job Title	Job Tasks	Duty Areas
Personnel Analyst	Conducts Job Audits Writes Job Descriptions Develops KSAs and MQs Makes Classification Recs	Performs Job Analysis
	Develops and Conducts Training Programs Researches Compensation Methods Conducts and Compiles Salary Surveys	Conducts Special Projects

STEP 3: *Identify Performance Indicators*

Performance indicators provide a link between the general duty and the specific performance standard. It is a general description of what defines successful performance of the duty area but lacks a quantitative or qualitative description of the level of acceptable performance. A performance indicator may be one or two words, usually an adverb, that describes what is important in performance of the duty area, or it may be a statement that describes what is to be done.

Example:

DUTY AREA ("What?")	PERFORMANCE INDICATORS ("How?")
Performs Job Analysis	Quickly According to directions Properly Thoroughly
Conducts Special Projects	On time Correctly Professionally

IMPORTANT: Performance indicators are optional in some agencies. However, the Office of Personnel Management recommends the use of indicators so the rater can bridge the gap between the duty area (what is to be done) and the next step: the performance standard (how it is to be done).

STEP 4: *Identify Performance Standards*

The performance standard describes in specific detail what is considered the fully satisfactory level of performance. This description allows the rater to identify when an employee exceeds the standard or performs below the acceptable level of performance.

Most duty areas will have one to three standards. Keep in mind that standards and performance indicators are written for duty areas and not for each task. The important thing to remember is that the standards should reflect the results that are expected in performance of the duty area.

The Arkansas Performance Evaluation Plan uses a four-level range of performance categories to rate the employee's actual performance against the expected performance as stated in the standards. The range is shown in this manual and on the rating forms.

Although you are required to write standards only for the "satisfactory" level, if you have trouble determining what that level is, consider writing the standards for the "exceeds", "above average" and "unsatisfactory" levels as well. This will help you identify and communicate your expectations for each level. It will also be helpful in explaining what the employee must do to exceed the fully satisfactory level. In addition, it will be easier to apply the rating scale to the employee's performance at the end of the evaluation cycle.

A performance standard should be:

- measurable and observable
- realistic in terms of the job
- within the employee's control
- expressed in terms of expected results

Standards can be expressed in terms of specific quantities, such as numbers or percentages, or quality measures that include accuracy, judgment, or opinion ratings. If percentages are used, it is important to identify the total universe from which they are chosen, and the field should be large enough to provide an adequate sample of work performance. If a standard can be written with both a quantitative and qualitative measure, it will enable you to obtain a better overall measure of the employee's performance.

A performance standard is composed of three parts:

1. An activity statement that tells what is to be done. If there are guidelines or procedures that cover the activities that are to be performed, the activity statement can refer to them, or the specific tasks can be included in the statement.
2. A qualifier that describes the fully satisfactory level of performance. This is what the rater will use to compare the employee's actual performance against the expected performance.
3. A method of monitoring (MOM) that refers to how and how often you plan to observe the employee's work performance. The MOM is used to record the necessary documentation that will be used to determine an overall score at the end of the evaluation period. In order to effectively monitor the employee's work performance, you must have a method that is both appropriate and feasible. The intent of this step is not to increase paperwork. In most cases you already have a MOM that you use to determine how well the employee is performing his or her duties. Monitoring may be conducted on a random or periodic basis. If you choose random monitoring, be sure that you observe work performance over the entire evaluation period. Do not check performance just at the beginning of the evaluation cycle and fail to check performance the remainder the period. The important thing to remember is that a supervisor cannot wait until the end of the performance evaluation cycle to correct problems. By monitoring performance you can identify problems and quickly get the employee back on track. Monitoring also helps you to reinforce good performance when it occurs.

Types of MOMs include:

- a. Reviewing work, either total output or sample.
- b. Observing employee work activities.
- c. Reading reports, charts, timesheets, work records, logs, etc.
- d. Self-reporting on progress by the employee.

- e. Surveying other units, the public, or clients or services.
- f. Noting and investigating complaints and commendations.

JOB STANDARDS WITH A "MEASURE" OR QUALIFIER

The following are examples of "qualifying" sentences. They are not job standards - yet. But a task statement coupled with one of these "qualifier" sentences will make an acceptable job standard.

Example:

Task Statement: "Provides technical assistance and advice to agency contacts on accounting policy and procedure."

Add: "Supervisor receives five or fewer valid, documented complaints per quarter."

The second sentence or "qualifier" adds a gauge ("five or fewer complaints"), a timeframe ("per quarter") and the idea of accuracy. The second sentence, in essence, is part of the supervisor's "measuring tool".

Examples of "Qualifiers" Indicating *Accuracy/Quality*:

"Supervisor receives X or fewer valid, documented complaints per _____ (month, quarter, etc.)."

"Supervisor notes X or fewer errors per _____ (month, quarter, etc.)."

"The final work product is completed according to instruction with X or fewer resubmissions."

"Materials are prepared according to _____ (accepted, specified, established, etc.) _____ (guidelines, policies, criteria, instructions, etc.)."

Example of "Qualifier" Indicating *Rate*:

"Processed X number of _____ (words, numbers, documents, etc.) per (minute, day, week, etc.)."

EXAMPLES OF PERFORMANCE STANDARDS

TITLE	DUTY AREA	PERFORMANCE STANDARD
Personnel Analyst	Performs Job Analysis	Completes 85% of all assigned analysis duties within established deadlines. MOM – Random work review. Monthly progress reports.

In some cases, it may be necessary to write two or three standards for a single duty area. This is usually due to the diversity of the job tasks within the duty area.

TITLE	DUTY AREA	PERFORMANCE STANDARD
Personnel Analyst	Conducts Special Projects	Develops and conducts training programs according to office policies and procedures with no more than two valid, documented complaints per rating period. MOM – Review of complaints and commendations.

	Conducts Special Projects	Conducts and compiles salary surveys according to office policies and procedures and supervisory instructions with no more than three errors/missed deadlines per rating period. MOM - Random work review. Monthly progress reports.
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RELATIVE IMPORTANCE

Assign an alpha value to each standard utilizing the following Relative Importance Scale:

- A. This function represents the major reason the job exists. It is critical to the performance of the job as a whole and to the accomplishment of department and work unit priorities. In most cases, this function consumes the majority of the employee's time.
- B. This function is essential to the performance of the job as a whole and to the accomplishment of department and work unit priorities. In most cases, this duty will consume a great deal of the employee's time.
- C. This function is important to the performance of the job as a whole and to the accomplishment of department and work unit priorities. However, this duty will not generally consume a great amount of the employee's time.

MONITORING/DOCUMENTATION

Throughout the evaluation period, you should review the employee's work performance according to the MOMs identified in the performance standards. Since monitoring provides the data by which overall performance is rated, you would document the results, then at the end of the evaluation period review the documentation and make an overall evaluation of the employee's performance. The notes are usually kept in the "employee file". The file should contain information that is crucial to job performance and the information should describe performance which meets, exceeds, or falls short of the fully satisfactory level.

Following are some guidelines for using the employee file:

1. Be consistent. Keep documentation on **all** employees, not on just a select few. Document similar situations on all employees.
2. Document activities, not attitudes. Write down actual behavior observed, not how you feel about it.
3. Make the file accessible but confidential. Allow your employees access to their individual file but maintain confidentiality from other employees.
4. Document incidents that describe all levels of performance. Ensure that all noteworthy activities are documented to give you a complete picture of the employee's performance, both exceptional and unsatisfactory.
5. Be timely. Record and discuss the activity as soon as possible after the occurrence.
6. Be accurate. Record only the facts; do not include hearsay information or rely on your memory. Do not include opinions. Do not put down what you hear in the coffee room.
7. Review. Review the incident documentation prior to the actual performance evaluation.
8. Do not carry over employee information from one evaluation cycle to another. In other words, rate your employees on current information, not on notes from past evaluation periods.

9. Maintain your file. File documentation that affects a personnel action must be maintained for several years: at least three and sometimes five years. Some class action suits require information that goes back seven years.
10. A word to the wise from the Attorney General's Office: OVERDOCUMENT. Keep more than what seems necessary, and all information concerning salary and personnel decisions. If an employee transfers or leaves state government, pack up the file and send to the DFA Human Resources office or just keep in your dead file for three to seven years.

11. You are encouraged to maintain two files: the official file located in the Human Resources office, and a day-by-day supervisor's file for job performance purposes. However, if an incident is to be mentioned in both, be sure they are consistent with each other. Legally, the supervisor's file is considered a part of the official personnel file.
12. Do not keep files from the employee. Files must be made available for employee review.
13. It is recommended that you get the employee to sign the file notes.
14. This is not a "Gotcha!" system. Make sure your documentation reflects the complete picture of an employee's performance. If not, you may find yourself trying to defend yourself against accusations of "case-building" on certain employees.
15. Support documentation should include specific incidents, instances, and work samples, commendation and complaint letters, noteworthy occurrences, certificates of completion from training programs, and certificates of achievement and merit.